

THE FARMINGTON TIMES

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A. W. BRADSHAW, Editor

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THE NATION'S MOTTO:
"Save the Waste and Win the War."

IMPORTANT TO YOU

Owing to the continued high price of news print paper, The Times is compelled to make some modifications in the plan of sending out this paper. Heretofore it has been sent to all those whom we believed to be responsible, for a limited time. But this plan must be changed somewhat, in order that the management may continue to pay bills promptly.

Statements will be sent to all who may be in arrears, even though it may be only a week, or whose time is just expiring, calling attention to the condition of your subscription, and the statement will be made out for a year in advance, so that if the weekly visits of the paper is desired to be continued, the subscription must be paid in advance.

In other words, beginning with the first of October, subscriptions must be paid in advance, or the paper will be discontinued to your address. At that time it is our intention to cut off all delinquents, and thereafter to stop the paper when the time paid for has expired. At \$1.00 a year, for a paper the size of The Times, advance payment is necessary, and even then there is no profit in subscriptions.

It may also be necessary soon to advance the subscription price of this paper to \$1.50 a year, as many other and smaller papers have already done. But that matter will be taken up when we reach it. In the meantime we would insist that all those who may know themselves to be in arrears on subscription to The Times—the date to which you are paid appears opposite your address—renew at once. Advance payment now will give you the benefit of the raise in the subscription price that will probably go on at an early date.

AND PLEASE REMEMBER THAT ALL DELINQUENT SUBSCRIPTIONS WILL BE DISCONTINUED ON, OR SOON AFTER, OCT. 1ST, 1917.

A. W. BRADSHAW,
Editor The Farmington Times.

ABUSING FREE SPEECH

Before our nation actually enters upon war, it is perfectly right and proper to discuss the wisdom of entering upon war; but when Congress actually decides upon war then further discussion is closed. After that step is taken, it should not be permitted anyone to clothe attacks upon his government, or to aid the enemy, under the claim that he is exercising freedom of speech. And this applies to attacks upon the Allies, as well as to attacks upon the United States. We can no more allow our allies to be crushed than we can afford to be crushed ourselves.

The above thoughts were started by things that have been constantly appearing, and which continue to appear, in certain of our exchanges, as well as verbal remarks we have heard, or which have come to us, as having been made by certain parties. We say "parties" advisedly, as the editors nor the other parties referred to, as continuing to make veiled threats or attacks upon the government, are not good citizens, whether they may be by birth or naturalization or not. The Times would advise all parties, in the least degree guilty of such damnable conduct, that it would be well for them to hold themselves under better control, else they may be put where their mutterings will no longer be heard. Many of them are perhaps already on the "suspect" list, and are liable to be caught up at any time. This country is now at war, and war conditions must be observed.

It begins to look like the price of coal will be forced down in time for the plain, ordinary citizen to keep his family from freezing to death next winter. The attorney generals of most of the different States, as well as the Federal government, has taken a hand in the game against the coal barons, and the present prospects are that the old shark will be forced to deliver a square deal. Either that, or else the different States will take charge of his mines and operate them as they would be operated. A "shining example" should be made of a few of those brigands who persist in holding up the people for robber profits, especially in times like these, when stringent measures are usually invoked.

THE USES OF THE LIBERTY LOAN

It is a mistaken notion that all of the money raised by the sale of the Liberty Loan Bonds, which is to be used for war purposes, will be an eventual loan to the United States and its people; that it is all to be spent for things used up in war or useless except for purposes of war. It is well to remember that a great deal of the money raised by the sale of Liberty Loan Bonds is to be invested in things that will be of great use to the nation when peace shall be declared.

One thing that most people realize will be of value is that it is going to put this nation in a state of preparedness. While it is hoped and believed that the end of this war will be the ending of all great wars it will be a valuable thing to America to find herself at its close prepared to enforce the just decrees of peace. There may be a twilight zone between the close of this war and the establishment of peace all over the world and preparedness will place America in a position to have that voice in the world affairs that this nation is worthy of. We know that voice will be for peace and justice and freedom.

Millions are to be spent in the construction of merchant ships and these, at least those that escape destruction in war, will be a valuable investment. There will be a tremendous demand for merchant ships when peace comes and, whether the United States continues to own and operate this merchant marine or whether the ships are sold to private individuals, the money invested in them by the United States will be no loss to the nation. It may be a great gain to it. In the revival of foreign commerce, in the contest for foreign markets, the United States will no longer be at the mercy of foreign ship owners. We can do our own carrying trade and our commerce will have a fair chance in the foreign markets.

Billions of this money raised by the sale of Liberty Loan Bonds have been and are to be loaned to those European nations engaged in war with Germany. This is no expenditure without return. It is an investment and it is an investment that no one will say is insecure. It will not only bring a return in interest and a return of the principal when due but it has brought to us a regard and friendship with those nations the value of which in dollars cannot be estimated.

The war is going to be expensive; it is going to call for sacrifices on the part of the nation and on the part of the individuals composing the nation. Much wealth is going to be shot out of the mouth of guns and cannons, and much is going to be sunk at sea, but all of the money used for war purposes is not going to be a financial loss to the nation. America will emerge from the war not only with her honor and greatness and power increased, but she will emerge better fitted for the struggles of commerce when peace comes and much of the money spent for war purposes will be equally valuable if not more valuable in time of peace.

DEMOCRACY VS. EFFICIENCY

President Wilson laid down America's platform in the war with the words "to make the world safe for democracy"—the most high, noble and idealistic aim ever a nation had in entering the lists of battle. The United States has taken up arms to fight for democracy against autocracy.

As the conflict becomes more closely joined and the realization takes a firmer hold in our minds that the burden of the war must eventually fall upon this country, we see that there is another meaning to this struggle. America—a democracy, committed by its very existence and ideals to the arts of peace—is engaged in deadly combat with the most highly organized national machine in the history of the world. German efficiency was well recognized by all peoples before the breaking of the storm of 1914, and pointed to as an example to be emulated. Now, this efficiency—this single-mindedness of purpose and power of concentration which placed German science and industry on a high pinnacle—has been diverted to the arts of war. Germany is just as efficient at war as at peace. It is this power that menaces the world today. It is this power that America must overcome if it is to make democracy safe.

It would seem that the crisis today is the test of efficiency. The battle is against autocracy but it is also against efficiency. And until America is in a position to meet the task efficiently the event will be uncertain. Our country and our people are to a certain extent awakening to these facts. The government is making progress—haltingly, some of us will say—but we must remember in our criticism that we have an entire national frame of mind to make over; and the people, through such agencies as the National Security League and the Federal Committee of Public Information, are coming to a knowledge of the seriousness of the situation and its exigencies. May the awakening proceed with haste! "America efficient" is the only pass-word which will open the doors of victory!

A PEOPLE'S WAR

"The great fact that stands out above all the rest is that this is a People's War, a war for freedom and justice and self-government amongst all the nations of the world, a war to make the world safe for the peoples who live upon it and have made it their own. The German people themselves included; and that with us rests the choice to break through all these hypocrisies and patent cheats and masks of brute force and help set the world free, or else stand aside and let it be dominated a long age through by sheer weight of arms and the arbitrary choices of self-constituted masters, by the nation which can maintain the biggest armies and the most irresistible armaments—a power to which the world has afforded no parallel and in the face of which political freedom must wither and perish."—Woodrow Wilson, President of the United States.

HOW SHALL WE PAY FOR THE WAR?

A Constructive Criticism on the House Revenue Bill.

LOANS BETTER THAN TAXES

Five Reasons Why Excessive Taxes at the Outset of War Are Disadvantageous—Great Britain Example Worthy of Emulation—How the Taxes Should Be Apportioned.

By EDWIN R. A. SELIGMAN, McVickar Professor of Political Economy, Columbia University.

On May 23, 1917, the House of Representatives passed an act "to provide revenue to defray war expenses and for other purposes." In the original bill as presented by the Committee of Ways and Means, the additional revenue to be derived was estimated at \$1,810,000,000. The amendment to the income tax, which was tacked on to the bill during the discussion in the House, was expected to yield another \$40,000,000 or \$50,000,000.

In discussing the House bill, two problems arise:

I. How much should be raised by taxation?
II. In what manner should this sum be raised?

I. How Much Should Be Raised by Taxation?

How was the figure of \$1,800,000,000 arrived at? The answer is simple. When the Secretary of the Treasury came to estimate the additional war expenses for the year 1917-18, he calculated that they would amount to some \$6,000,000,000, of which \$3,000,000,000 was to be allotted to the allies, and \$3,000,000,000 was to be utilized for the domestic purposes. Thinking that it would be a fair proposition to divide this latter sum between loans and taxes, he concluded that the amount to be raised by taxes was \$1,800,000,000.

There are two extreme theories, each of which may be dismissed with scant courtesy. The one is that all war expenditures should be defrayed by loans, and the other is that all war expenditures should be defrayed by taxes. Each theory is untenable.

It is indeed true that the burdens of the war should be borne by the present rather than the future generation; but this does not mean that they should be borne by this year's taxation.

Meeting all war expenses by taxation makes the taxpayers in one or two years bear the burden of benefits that ought to be distributed at least over a decade within the same generation.

In the second place, when expenditures approach the gigantic sums of present-day warfare, the tax-only policy would require more than the total surplus of social income. Were this absolutely necessary, the ensuing havoc in the economic life of the community would have to be endured. But where the disasters are so great and at the same time so unnecessary, the tax-only policy may be declared impracticable.

Secretary McAdoo had the right instinct and highly commendable courage in deciding that a substantial portion, at least, of the revenues should be derived from taxation. But when he hit upon the plan of 50-50 per cent., that is, of raising one-half of all domestic war expenditures by taxes, the question arises whether he did not go too far.

The relative proportion of loans to taxes is after all a purely business proposition. Not to rely to a large extent on loans at the outset of a war is a mistake.

Disadvantages of Excessive Taxes.

The disadvantages of excessive taxes at the outset of the war are as follows:
1. Excessive taxes on consumption will cause popular resentment.
2. Excessive taxes on industry will disarrange business, damp enthusiasm and restrict the spirit of enterprise at the very time when the opposite is needed.

3. Excessive taxes on incomes will deplete the surplus available for investments and interfere with the placing of the enormous loans which will be necessary in any event.

4. Excessive taxes on wealth will cause a serious diminution of the incomes which are at present largely drawn upon for the support of educational and philanthropic enterprises. Moreover, these sources of support would be dried up precisely at the time when the need would be greatest.

5. Excessive taxation at the outset of the war will reduce the elasticity available for the increasing demands that are soon to come.

Great Britain's Policy.

Take Great Britain as an example. During the first year of the war she increased taxes only slightly, in order to keep industries going at top notch. During the second year she raised by new taxes only 9 per cent. of her war expenditures. During the third year she levied by additional taxes (over and above the pre-war level) only slightly more than 17 per cent. of her war expenses.

If we should attempt to do as much in the first year of the war as Great Britain did in the third year it would suffice to raise by taxation \$1,250,000,000. If, in order to be absolutely on the safe side, it seemed advisable to increase the sum to \$1,500,000,000, this should, in our opinion, be the maximum.

In considering the apportionment of the extraordinary burden of taxes in war times certain scientific principles are definitely established:

How Taxes Should Be Apportioned.

(1) The burden of taxes must be spread as far as possible over the whole community so as to cause each individual to share in the sacrifices according to his ability to pay and according to his share in the Government.

(2) Taxes on consumption, which are necessarily borne by the community at large, should be imposed as far as possible on articles of quasi-luxury rather than on those of necessity.

(3) Excises should be imposed as far as possible upon commodities in the hands of the final consumer rather than upon the articles which serve primarily as raw material for further production.

(4) Taxes upon business should be imposed as far as possible upon net earnings rather than upon gross receipts or capital invested.

(5) Taxes upon income which will necessarily be severe should be both differentiated and graduated. That is, there should be a distinction between earned and unearned incomes and there should be a higher rate upon the larger incomes. It is essential, however, not to make the income rate so excessive as to lead to evasion, administrative difficulties, or to the more fundamental objections which have been urged above.

(6) The excess profits which are due to the war constitute the most obvious and reasonable source of revenue during war times. But the principle upon which these war-profit taxes are laid must be equitable in theory and easily calculable in practice.

The Proposed Income Tax.

The additional income tax as passed by the House runs up to a rate of 60 per cent. This is a sum unheard of in the history of civilized society. It must be remembered that it was only after the first year of the war that Great Britain increased her income tax to the maximum of 34 per cent., and that even now in the fourth year of the war the income tax does not exceed 42½ per cent.

It could easily be shown that a tax with rates on moderate incomes substantially less than in Great Britain, and on the larger incomes about as high, would yield only slightly less than the \$322,000,000 originally estimated in the House bill.

It is to be hoped that the Senate will reduce the total rate on the highest incomes to 34 per cent., or at most to 40 per cent., and that at the same time it will reduce the rate on the smaller incomes derived from personal or professional earnings.

If the war continues we shall have to depend more and more upon the income tax. By imposing excessive rates now we are not only endangering the future, but are inviting all manner of difficulties which even Great Britain has been able to escape.

Conclusion.

The House bill contains other fundamental defects which may be summed up as follows:

- (1) It pursues an erroneous principle in imposing retroactive taxes.
- (2) It selects an unjust and unworkable criterion for the excess-profits tax.
- (3) It proceeds to an unheard-of height in the income tax.
- (4) It imposes unwarranted burdens upon the consumption of the community.
- (5) It is calculated to throw business into confusion by levying taxes on gross receipts instead of upon commodities.
- (6) It fails to make a proper use of stamp taxes.
- (7) It follows an unscientific system in its flat rate on imports.
- (8) It includes a multiplicity of petty and unwholesome taxes, the vexatiousness of which is out of all proportion to the revenue they produce.

The fundamental lines on which the House bill should be modified are summed up herewith:

- (1) The amount of new taxation should be limited to \$1,250,000,000—or at the outset to \$1,500,000,000. To do more than this would be as unwise as it is unnecessary. To do even this would be to do more than has ever been done by any civilized Government in time of stress.
- (2) The excess-profits tax based upon a sound system ought to yield about

\$500,000,000.

(3) The income-tax schedule ought to be revised with a lowering of the rates on earned incomes below \$10,000, and with an analogous lowering of the rates on the higher incomes, so as not to exceed 34 per cent. A careful calculation shows that an income tax of this kind would yield some \$450,000,000 additional.

(4) The tax on whisky and tobacco ought to remain approximately as it is, with a yield of about \$230,000,000.

These three taxes, together with the stamp tax at even the low rate of the House bill, and with an improved automobile tax, will yield over \$1,250,000,000, which is the amount of money thought desirable.

The above program would be in harmony with an approved scientific system. It will do away with almost all of the complaints that are being urged against the present. It will refrain from taxing the consumption of the poor.

It will throw a far heavier burden upon the rich, but will not go to the extremes of confiscation. It will obviate interference with business and will keep unimpaired the social productivity of the community.

It will establish a just balance between loans and taxes and will not succumb to the danger of approaching either the tax-only policy or the loan-only policy. Above all, it will keep an undisturbed elastic margin, which must be more and more heavily drawn upon as the war proceeds.

ABERDEEN-ANGUS CATTLE

On the Range.

Prejudice and Jealousy Overcome—Best Prices Realized at the Stock Yards.



Aberdeen-Angus cattle are not without a record in the United States under grazing conditions as they have existed and exist now beyond the Missouri river. The breed has been tried out in more than one section and in every instance the performance was satisfactory in every respect to those whose money was involved. My own experience with these cattle has, however, been on what are popularly known as the X. I. T. Ranches in Texas, owned by the Capitol Syndicate.

Up to and including 1892 there were purchased for the X. I. T. ranches, not far from 5,000 bulls, of which Aberdeen-Angus comprised not quite 14 per cent. Herefords, about 50 per cent, and Shorthorns not quite 30 per cent, and small proportion of Aberdeen-Angus was due to the fact that until a few years previous it was a breed comparatively unknown in this country. Its numbers were inconsiderable and bulls were hard to get, selling at much higher figures than those of any other breed.

Originally the X. I. T. Ranch comprised 3,000,000 acres of land in the Panhandle of Texas. The cattle with which it was stocked came largely from the country tributary to the Texas & Pacific Ry. and were of better average quality than those common to the country. About the early nineties most of the bulls purchased were purebreds, and after 1892 nothing but purebreds were bought. The range, averaging about 200 miles north and south and 25 miles east and west, and being all fenced and cross-fenced, offered good opportunities to test the three breeds under practically similar conditions and, after a few years, the pastures in which were kept began to show the respective breed characteristics. Every year, by careful selection of breeding bulls and careful culling of undesirable females—undesirable owing to color of quality—the herds rapidly assumed to all appearances the quality and character of purebreds. When this experiment was begun the Shorthorn breed was well known by reputation in the Southwest. They had been tried previously in the section from which the foundation stock had been purchased and

their reputation at that time was, whether deserved or undeserved, that they were good cattle, but not sufficiently hardy for the climate of the Texas Panhandle. At that time Herefords were being introduced and had no prejudice to contend with, as few of the people there knew anything about them as ranging cattle. They were readily adopted by ranchmen seeking to improve their herds and were extensively introduced into the Panhandle. The Aberdeen-Angus came in after the Herefords, but at this time they were few in number in the United States and it was impossible to secure them in the numbers required at prices range men could afford to pay. Herefords were being pushed by

a coterie of breeders exultant over conflicts from which they had emerged with Shorthorn sponsors and were claiming "the earth and the fullness thereof" for their breed. As nothing succeeds like success, the Herefords soon became the dominant breed in the Panhandle. Interests antagonistic to the Aberdeen-Angus diligently published that it was not suitable for range purposes, that the bulls would bunch together and stay away from the she-cattle, consequently they did not get the percentage of calves possible with bulls of other breeds. Allegation was also made that the stock could not stand the heat of summer or the rigors of winter. These sentiments were not lacking on the X. I. T. Ranch, but after the adoption of the three breeds, each was given a fair trial and the results demonstrated that no breed was better adapted to range conditions than the Aberdeen-Angus. They proved themselves prolific, hardy, good rustlers, early maturers and good sellers, the steers of this breed being usually the first to be sold off the range and invariably commanding a premium over the others. And when the land was finally sold, the owners closed out the other breeds, retaining the Angus. Mr. A. G. Boyce, manager of the Texas Ranch, reporting on the best results, said: "The more I see of the black cattle the more I like them and think they are the cattle for this country."

It may be of interest to those seeking information regarding Aberdeen-Angus cattle on the range to know that we have always considered steers of this breed—both as feeders and beefers—the quickest and best sellers, and when time and conditions permit, we have always found it to our advantage to ship Aberdeen-Angus beefs by themselves, as there seemed to be a wider market for them at the stock yards and they have almost invariably realized better prices than the others. (By Geo. Findlay, of the X. I. T. Ranches.)

(Sixth of a series of articles on the purebred cattle industry, containing facts and figures of striking importance and value to every farmer and stock raiser. For free illustrated literature, history, show records and list of American Aberdeen-Angus Breeders' Association members, address Chas. Gray, Secy., Record Bldg., Union Stock Yards, Chicago.)

"THE SECOND LIBERTY LOAN." The Second Liberty Loan of 1917 will be the official name of the second issue of the Liberty Loan.

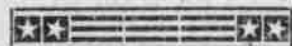
Secretary of the Treasury McAdoo has issued a public statement warning the public against recurring unreliable reports regarding the next Liberty Loan purporting to give information as to the date, amount, and other details relative to the issue. He states these reports are merely speculative and the public should not be misled by them; that these matters have not been determined upon, and as soon as they are settled official announcement will be made; in the meantime unofficial reports should be regarded as unfounded.

GOING AFTER THE COAL TRUST

Attorney General McAllister is now prosecuting a vigorous investigation of the coal trust and is developing some startling facts. He is going about his work in a thoroughly practical manner and we predict that when he gets through with that bunch of pirates and highwaymen they will be willing to be good for the next generation.

Missouri will not be considered a desirable place for the formation of pools, combinations, trusts or agreements to mulct and rob the people while McAllister is on the job.

Notice to the Public



I wish to state, for the benefit of the public, that we are in Farmington to stay in the music business. To anyone contemplating the purchase of a musical instrument we will state that our terms are reasonable and will guarantee you fair treatment.



THEO. HODGE MUSIC STORE

HARLEY KNOWLES, Salesman.